

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS	)	
ADJUSTMENT FILING OF MT. OLIVET	)	CASE NO. 9918-U
NATURAL GAS COMPANY, INC.	)	

O R D E R

On August 10, 1987, the Commission issued its Order in Case No. 9918 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On October 11, 1988, Mt. Olivet Natural Gas Company, Inc. ("Mt. Olivet"), notified the Commission that it received a refund from its supplier, Columbia Gas Transmission Corporation, in the amount of \$6,516.70, and requested permission to reduce its rates.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Mt. Olivet's notice of October 11, 1988 set out a refund factor of 32 cents per Mcf.

(2) The refund should remain in effect for 3 months or until such time as the full amount plus interest has been returned to Mt. Olivet's customers.

(3) The refund should begin with sales after November 1, 1988.

(4) Mt. Olivet should refund the amount reported in its notice plus interest at a rate equal to the average of the "3-Month Commercial Paper Rates" less 1/2 of 1 percent to cover the costs of refunding. These monthly rates are reported in the Federal Reserve Bulletin and the Federal Reserve Statistical Release.

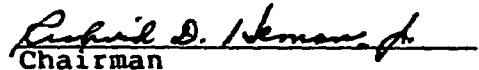
IT IS THEREFORE ORDERED that:

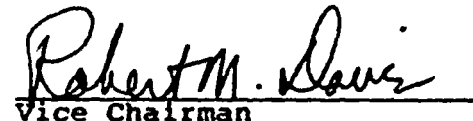
(1) Mt. Olivet shall apply a 32 cents per Mcf refund factor to the approved rates beginning with sales after November 1, 1988 and shall remain in effect until the total amount of the refund, plus interest, is returned to its customers.

(2) Within 30 days of the date the refund factor is terminated, Mt. Olivet shall file with this Commission a summary statement showing a reconciliation of customer billings and the amount refunded.

Done at Frankfort, Kentucky, this 27th day of October, 1988.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Executive Director